

## **Senate Bill No. 1571**

### **CHAPTER 1078**

An act to add Article 6 (commencing with Section 63048) to Chapter 2 of Division 1 of Title 6.7 of the Government Code, to amend Sections 78648.12, 79022.7, 79044.6, 79068.20, 79069, 79106, 79122, 79127, 79128, 79128.5, 79133, 79140, 79148, 79148.8, 79171, and 79196.5 of, and to add Sections 20527.12 and 20527.13 to, the Water Code, and to amend Section 14 of the Fresno Metropolitan Flood Control Act (Chapter 503 of the Statutes of 1955), relating to water, and making an appropriation therefor.

[Approved by Governor September 30, 2000. Filed  
with Secretary of State September 30, 2000.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 1571, Costa. Water.

(1) The Costa-Machado Water Act of 2000 (A) authorizes, for purposes of financing a safe drinking water, water quality, flood protection, and water reliability program, the issuance of bonds in the amount of \$1,970,000,000, and (B) provides for the use of certain bond funds, and funds repaid to the state pursuant to specified loan contracts, for prescribed programs established under that act.

This bill would make technical, nonsubstantive changes in those provisions.

(2) The Irrigation District Law generally defines "voter" for the purposes of provisions governing irrigation districts to mean a voter, as defined in the Elections Code, who is a resident of an irrigation district. The district law generally requires the directors on the board of an irrigation district to be a voter, a landowner in the district, and resident in the division of the district that the director represents. The district law provides for the abolishment of divisions pursuant to specified procedures.

This bill would revise those provisions, for the purposes of the James Irrigation District and the Corcoran Irrigation District, and provide that every owner of real property in those districts, but no others, may vote at district elections, as specified. The bill would provide that any person who is a voter and landowner, as specified, in the James Irrigation District may be a director on the board of that district. The bill would authorize the board of the James Irrigation District to abolish the divisions of that district for the general district election to be held in 2001, as well as for district elections held after that date, as prescribed. By imposing requirements on those districts, and the applicable county in connection with the conduct of district elections, the bill would impose a state-mandated local program.

The bill would provide that those provisions are operative as long as the district does not provide certain services for domestic purposes and would require the district to notify the Secretary of State 30 days prior to commencing to provide any of those services.

(3) The Fresno Metropolitan Flood Control Act authorizes the Fresno Metropolitan Flood Control District to borrow money and incur indebtedness to construct, repair, operate, or maintain improvements required as a result of declared emergencies or disasters. The act authorizes the district to borrow from the state or the federal government moneys provided for the performance of local responsibilities required in conjunction with state or federal flood control, drainage, or water conservation projects.

This bill would modify the latter provision to authorize the district to borrow from the state or the federal government moneys provided for the performance of work or local responsibilities in conjunction with state or federal flood control, drainage, water conservation, or water quality projects.

(4) The Bergeson-Peace Infrastructure and Economic Development Bank Act establishes the California Infrastructure and Economic Development Bank for the purpose of funding specified types of infrastructure development projects, including public development facilities, that are defined to include sewage collection and treatment facilities and water treatment and distribution facilities. The act authorizes the bank to issue revenue bonds for prescribed purposes. The Porter-Cologne Water Quality Control Act creates the State Water Pollution Control Revolving Fund and continuously appropriates money in the fund to finance the construction of publicly owned treatment works and other activities allowed by the Clean Water Act.

This bill would authorize the bank to issue taxable or tax-exempt revenue bonds for deposit into the State Water Pollution Control Revolving Fund in accordance with prescribed provisions. By providing for the deposit of additional funds into a continuously appropriated fund, the bill would make an appropriation.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Article 6 (commencing with Section 63048) is added to Chapter 2 of Division 1 of Title 6.7 of the Government Code, to read:



Article 6. State Water Pollution Control Revolving Fund  
Program

63048. For purposes of this article, the following terms have the following meanings, unless the context clearly indicates or requires another meaning:

(a) “Board” means the State Water Resources Control Board.

(b) “Revolving fund” means the State Water Pollution Control Revolving Fund created by Chapter 6.5 (commencing with Section 13475) of Division 7 of the Water Code.

63048.3. Notwithstanding any other provision of this division, Article 3 (commencing with Section 63040), Article 4 (commencing with Article 63042), and Article 5 (commencing with Section 63043) do not apply to any financing provided by the bank to, or at the request of, the board in connection with the revolving fund.

63048.5. (a) The bank may issue taxable or tax-exempt revenue bonds pursuant to Chapter 5 (commencing with Section 63070) and deposit the proceeds from the bonds into the revolving fund or use the proceeds to refund bonds previously issued under this article. Bond proceeds may also be used to fund necessary reserves, capitalized interest, or costs of issuance.

(b) Except as may be provided in the governing documents with respect to bond anticipation notes, each of the bonds issued under this article shall, to the extent provided in the governing documents, be payable from, and secured by, all or a portion of the revenues in the revolving fund and the assets of the revolving fund, to the extent the revenues and assets are pledged by the board for those purposes.

(c) Bonds issued under this article shall not be deemed to constitute a debt or liability of the state or of any political subdivision thereof, other than the bank, or a pledge of the faith and credit of the state or of any political subdivision, but shall be payable solely from the revolving fund and the assets of the revolving fund, and the security provided by the revolving fund. All bonds issued under this article shall contain on the face of the bonds a statement to the same effect.

SEC. 1.5. Section 78648.12 of the Water Code is amended to read:

78648.12. Unallocated funds remaining in the subaccount on March 8, 2000, and any funds deposited into the subaccount after that date, shall be transferred to, and all money repaid to the state pursuant to any loan contract executed under this article shall be deposited in, the Seawater Intrusion Control Subaccount in the Clean Water and Water Recycling Account in the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund for the purposes set forth in Article 6 (commencing with Section 79149) of Chapter 7 of Division 26.

SEC. 2. Section 79022.7 of the Water Code is amended to read:

79022.7. Notwithstanding Item 4260-115-0001 of Section 2.00 of the Budget Act of 1999 (Chapter 50, Statutes of 1999), no money transferred to the Safe Drinking Water State Revolving Fund pursuant to this article may be transferred to the General Fund.

SEC. 3. Section 79044.6 of the Water Code is amended to read:

79044.6. Notwithstanding any other provision of this article, the sum of five million dollars (\$5,000,000) in the subaccount, upon appropriation by the Legislature to the department, shall be allocated by the department to the City of Santee for the purposes of flood protection for streets and highways.

SEC. 4. Section 79068.20 of the Water Code is amended to read:

79068.20. The department and the Reclamation Board may adopt regulations to carry out this article.

SEC. 5. Section 79069 of the Water Code is amended to read:

79069. The Legislature hereby finds and declares all of the following:

(a) The Arroyo Pasajero Watershed incurred unprecedented flooding in 1995 that resulted in a loss of lives due to a bridge failure on Interstate Highway Route 5 (I-5).

(b) Flooding in the watershed caused damage to important federal, state, and local public facilities, including the Lemoore Naval Air Station, Interstate Highway Route 5 (I-5), the California Aqueduct, and critical local roads and highways, as well as private property.

(c) It is of statewide importance to undertake projects to eliminate future flooding in the watershed in order to protect life and property and to protect the drinking water supply of southern California.

SEC. 6. Section 79106 of the Water Code is amended to read:

79106. The Clean Water and Water Recycling Account is hereby created in the fund. The sum of three hundred fifty-five million dollars (\$355,000,000) is hereby transferred from the fund to the account.

SEC. 6.3. Section 79122 of the Water Code is amended to read:

79122. The following amounts are hereby transferred from the account to the following subaccounts and, notwithstanding Section 13340 of the Government Code, are hereby continuously appropriated, without regard to fiscal years, to the board, as follows:

(a) Thirty million five hundred thousand dollars (\$30,500,000) to the State Revolving Fund Loan Subaccount for the purposes of providing loans pursuant to the Clean Water Act, to aid in the construction or implementation of eligible projects, and for the purposes described in Section 79124.

(b) Thirty-four million dollars (\$34,000,000) to the Small Communities Grant Subaccount for grants by the board to small communities for construction of eligible treatment works, and for the purposes described in Section 79124.

SEC. 6.5. Section 79127 of the Water Code is amended to read:

79127. For the purposes of implementing subdivision (a) of Section 79122, the board may make loans to municipalities, pursuant to contract, to aid in the construction or implementation of eligible projects.

SEC. 6.7. Section 79128 of the Water Code is amended to read:

79128. (a) For purposes of subdivision (b) of Section 79122, the board may make grants to small communities so that any state grant does not exceed  $97\frac{1}{2}$  percent of the eligible cost of necessary studies, planning, design, and construction of the eligible project determined in accordance with applicable state law and regulations.

(b) The total amount of grants made pursuant to paragraph (2) of subdivision (a) of Section 79122, for any single project, may not exceed three million five hundred thousand dollars (\$3,500,000).

SEC. 6.9. Section 79128.5 of the Water Code is amended to read:

79128.5. For the purposes of Section 79122.2, the board may make grants for the cost of planning, design, and construction of treatment works necessary to comply with waste discharge requirements.

SEC. 6.10. Section 79133 of the Water Code is amended to read:

79133. (a) Notwithstanding any other provision of this article, of the continuously appropriated funds described in subdivision (a) of Section 79122, the sum of seven million dollars (\$7,000,000) shall be used by the Department of Toxic Substances Control for allocation to local agencies for groundwater remediation projects.

(b) The Department of Toxic Substances Control shall adopt regulations to carry out this section.

SEC. 7. Section 79140 of the Water Code is amended to read:

79140. (a) Notwithstanding Section 13340 of the Government Code, 50 percent of the money in the subaccount is hereby continuously appropriated, without regard to fiscal years, to the board for loans to municipalities for the design and construction of water recycling projects in accordance with Section 79141, and for the purposes described in Sections 79143, 79144, and 79145.

(b) Fifty percent of the money in the subaccount, upon appropriation by the Legislature to the board, may be used by the board for grants to municipalities for the design and construction of water recycling projects in accordance with Section 79141.

SEC. 8. Section 79148 of the Water Code is amended to read:

79148. The purpose of this article is to provide funding for projects that restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters and groundwaters.

SEC. 9. Section 79148.8 of the Water Code is amended to read:

79148.8. (a) The money in the subaccount, upon appropriation by the Legislature to the board, may be used by the board, in consultation with the California Coastal Commission, to award loans as provided in subdivision (b), and to award grants not to exceed five

million dollars (\$5,000,000) per project, to municipalities, local public agencies, educational institutions, or nonprofit organizations for the purposes of this article. Grants may be awarded for any of the following projects:

(1) A project designed to improve water quality at public beaches and to make improvements for the purpose of ensuring that coastal waters adjacent to public beaches meet the bacteriological standards set forth in Article 2 (commencing with Section 115875) of Chapter 5 of Part 10 of Division 104 of the Health and Safety Code.

(2) A project to provide comprehensive capability for monitoring, collecting, and analyzing ambient water quality, including monitoring technology that can be entered into a statewide information base with standardized protocols and sampling, collection, storage and retrieval procedures.

(3) A project to make improvements to existing sewer collection systems and septic systems for the restoration and protection of coastal water quality.

(4) A project designed to implement storm water and runoff pollution reduction and prevention programs for the restoration and protection of coastal water quality.

(5) A project that is consistent with the state's nonpoint source control program, as revised to meet the requirements of Section 6217 of the federal Coastal Zone Act Reauthorization Amendments of 1990, Section 319 of the federal Clean Water Act (33 U.S.C. Sec. 1329), and the requirements of Division 7 (commencing with Section 13000).

(b) In addition to the grants authorized pursuant to subdivision (a), the board may make loans not to exceed five million dollars (\$5,000,000) per project to municipalities, local public agencies, educational institutions, or nonprofit organizations for the purposes set forth in paragraph (3) of subdivision (a).

(c) The projects funded from the subaccount shall demonstrate the capability of contributing to sustained, long-term water quality or environmental restoration or protection benefits for a period of 20 years, shall address the causes of degradation, rather than the symptoms, and shall be consistent with water quality and resource protection plans prepared, implemented, or adopted by the board, the applicable regional water quality control board, and the California Coastal Commission.

(d) An applicant for funds from the subaccount shall be required to submit to the board a monitoring and reporting plan that does all of the following:

(1) Identifies the nonpoint source or sources of pollution to be prevented or reduced by the project.

(2) Describes the baseline water quality or quality of the environment to be addressed.



(3) Describes the manner in which the project will be effective in preventing or reducing pollution and in demonstrating the desired environmental results.

(e) Upon completion of the project, a recipient of funds from the subaccount shall submit a report to the board that summarizes the completed activities and indicates whether the purposes of the project have been met. The report shall include information collected by the recipient in accordance with the project monitoring and reporting plan, including a determination of the effectiveness of the project in preventing or reducing pollution. The board shall make the report available to the public, watershed groups, and federal, state, and local agencies.

(f) If projects include capital costs for construction, those costs shall be identified by the project applicant. The grant recipient shall provide a matching contribution for the portion of the project consisting of capital costs for construction, according to the following formula:

Capital Cost Project Cost/Capital Cost Match by Recipient

\$1,000,000 to \$5,000,000, inclusive .....	20%
\$125,000 to \$999,999, inclusive .....	15%
\$1 to \$124,999, inclusive .....	10%

For the purposes of this subdivision, “capital costs” has the same meaning as “cost” as defined in Section 32025 of the Public Resources Code.

(g) Not more than 25 percent of a grant may be awarded in advance of actual expenditure.

(h) An applicant for funds from the subaccount shall inform the board of any necessary public agency approvals, entitlements, and permits that may be necessary to implement the project. The application shall certify to the board, at the appropriate time, that those approvals, entitlements, and permits have been granted.

(i) Where recovery plans for coho salmon, steelhead trout, or other threatened or endangered aquatic species exist, projects funded under this article shall be consistent with those plans, and to the extent feasible, shall seek to implement actions specified in those plans.

SEC. 10. Section 79171 of the Water Code is amended to read:

79171. Unless the context otherwise requires, the following definitions govern the construction of this article:

(a) “Conjunctive use” means the temporary storage of water in a groundwater aquifer through intentional recharge and subsequent extraction for later use. Storage is accomplished by either of the following methods:





(1) “Direct recharge” of an aquifer by conducting surface water into the ground by various means, including, without limitation, spreading ponds and injection wells for the purpose of making the water stored in the aquifer available for extraction and later use in drier years.

(2) “In-lieu recharge” means increasing the amount of groundwater available in an aquifer by substituting surface water supplies to a user who would otherwise pump groundwater.

(b) “Conjunctive use facilities” include land and appurtenant facilities for any phase of a conjunctive use operation. Appurtenant facilities may include subsurface storage, treatment, conveyance, recharge ponds, injection wells, spreading grounds, monitoring, measurements, subsidence detection, flow regulation, detention basins to facilitate recharge, diversion facilities, and extraction facilities.

(c) “Conjunctive use project” means a project that is intended to produce water supply benefits for the local agency or a project that is intended to produce water supply benefits for water users, including the environment, in addition to the local agency.

(d) “Local agency” means any city, county, city and county, district, joint powers authority, mutual water company, or other political subdivision of the state.

(e) “Project participants” means any public agency participating in, and benefiting from, a conjunctive use project under this article.

(f) “Subaccount” means the Conjunctive Use Subaccount created by Section 79172.

SEC. 11. Section 79196.5 of the Water Code is amended to read:

79196.5. The funds appropriated pursuant to Section 79196 shall be allocated as follows:

(a) Seventeen million dollars (\$17,000,000) for the purposes of the project described in clause (i) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(b) Forty million dollars (\$40,000,000) for the purposes of the project described in clause (ii) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(c) One hundred twenty million dollars (\$120,000,000) for the purposes of the project described in clause (iii) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(d) Forty million dollars (\$40,000,000) for the purposes of the project described in clause (iv) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(e) Seventeen million dollars (\$17,000,000) for the purposes of the project described in clause (v) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(f) Sixteen million dollars (\$16,000,000) for the purposes of the project described in clause (vi) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.



SEC. 12. Section 20527.12 is added to the Water Code, to read:

20527.12. (a) (1) This section only applies to the James Irrigation District. As used in this section, “district” means the James Irrigation District.

(2) Notwithstanding Section 20527 or any other provision of law, in the district, every owner of real property within the district, but no others, may vote at district elections. Owners need not be residents of the district in order to qualify as voters.

(b) The last equalized district assessment roll is conclusive evidence of ownership of the real property.

(c) (1) If land is owned in joint tenancy, tenancy in common, or any other multiple ownership, the owners of the land shall designate, in writing, which one of the owners is deemed the owner of the land for purposes of qualifying as a voter.

(2) The designation shall be made upon a form provided by the district, and shall be filed with the district at least 40 days prior to the election and shall remain in effect until amended or revoked. No amendment or revocation may occur within the period of 39 days prior to any election.

(d) The district shall provide a list of eligible voters pursuant to Section 10525 of the Elections Code at least 35 days prior to an election, which list shall provide for the limitation of one vote for each owner as specified in this section.

(e) The legal representative of a corporation or estate owning real property may vote on behalf of the corporation or estate.

(f) (1) Every voter, or his or her legal representative, may vote at any district election either in person or by a person appointed as his or her proxy, but may cast only one vote.

(2) The district has the powers of a California water district with regard to Section 35005 and the appointment of a proxy shall be pursuant to that section.

(g) Notwithstanding Section 21100 or any other provision of law, any voter, as specified in this section, may be a member of the board of the district as long as the voter is a landowner within the division that the voter represents, unless divisions are abolished as provided in Section 21550.

(h) (1) As used in this section, “legal representative” means an official of a corporation owning real property or a guardian, conservator, executor, or administrator of the estate of the holder of title to real property who is all of the following:

(A) Appointed under the laws of this state.

(B) Entitled to the possession of the estate’s real property.

(C) Authorized by the appointing court to exercise the particular right, privilege, or immunity which the legal representative seeks to exercise.

(2) Before a legal representative votes at a district election, the legal representative shall present to the precinct board a certified

copy of his or her authority which shall be kept and filed with the returns of the election.

(i) The board of the district, not less than 120 days before the general district election to be held in 2001, may abolish the divisions of the district for that election. The abolishment of the division shall be effective only for that general district election, unless the question of abolishing the division is presented to the voters at that election and a majority of the votes cast on that question are in favor of abolishing the divisions for future elections.

(j) (1) This section shall be operative as long as the district does not provide water, drainage services, electricity, flood control services, or sewage disposal services for domestic purposes for residents of the district.

(2) (A) This section shall become inoperative if the district commences to provide any of the services described in paragraph (1).

(B) The district shall notify the Secretary of State 30 days prior to commencing to provide any of the services described in paragraph (1). The notice required by this subparagraph shall state that it is being made pursuant to this subdivision.

SEC. 13. Section 20527.13 is added to the Water Code, to read:

20527.13. (a) (1) This section only applies to the Corcoran Irrigation District. As used in this section, “district” means the Corcoran Irrigation District.

(2) Notwithstanding Section 20527 or any other provision of law, in the district, every owner of real property within the district, but no others, may vote at district elections. Owners need not be residents of the district in order to qualify as voters.

(b) The last equalized district assessment roll is conclusive evidence of ownership of the real property.

(c) (1) If land is owned in joint tenancy, tenancy in common, or any other multiple ownership, the owners of the land shall designate, in writing, which one of the owners is deemed the owner of the land for purposes of qualifying as a voter.

(2) The designation shall be made upon a form provided by the district, and shall be filed with the district at least 40 days prior to the election and shall remain in effect until amended or revoked. No amendment or revocation may occur within the period of 39 days prior to any election.

(d) The district shall provide a list of eligible voters pursuant to Section 10525 of the Elections Code at least 35 days prior to an election, which list shall provide for the limitation of one vote for each owner as specified in this section.

(e) The legal representative of a corporation or estate owning real property may vote on behalf of the corporation or estate.

(f) (1) Every voter, or his or her legal representative, may vote at any district election either in person or by a person appointed as his or her proxy, but may cast only one vote.

(2) Proxies shall be appointed pursuant to Section 35005.

(g) (1) As used in this section, “legal representative” means an official of a corporation owning real property or a guardian, conservator, executor, or administrator of the estate of the holder of title to real property who is all of the following:

(A) Appointed under the laws of this state.

(B) Entitled to the possession of the estate’s real property.

(C) Authorized by the appointing court to exercise the particular right, privilege, or immunity which the legal representative seeks to exercise.

(2) Before a legal representative votes at a district election, the legal representative shall present to the precinct board a certified copy of his or her authority which shall be kept and filed with the returns of the election.

(h) (1) This section shall be operative as long as the district does not provide water, drainage services, electricity, flood control services, or sewage disposal services for domestic purposes for residents of the district.

(2) (A) This section shall become inoperative if the district commences to provide any of the services described in paragraph (1).

(B) The district shall notify the Secretary of State 30 days prior to commencing to provide any of the services described in paragraph (1). The notice required by this subparagraph shall state that it is being made pursuant to this subdivision.

SEC. 14. Section 14 of the Fresno Metropolitan Flood Control Act (Chapter 503 of the Statutes of 1955) is amended to read:

Sec. 14. (a) The district may borrow money and incur indebtedness for its ordinary expenses and to pay engineers, attorneys, and other employees of the district. Each borrowing shall be authorized by a resolution of the board of directors and shall be evidenced by a note. The total amount borrowed may not at any time exceed the amount that could be raised by a ten cent (\$0.10) tax levy upon all taxable real property that is subject to levy in the district as shown by the last equalized assessment roll. If the borrowing comes before an assessment roll for the district has been equalized, the county auditor shall estimate the assessed value of the real property that is subject to levy in the district and furnish his or her certificate of that estimate to the board of directors of the district. The board of directors may borrow an amount not to exceed the sum that could be raised by a ten cent (\$0.10) levy upon the estimated value of real property that is subject to levy. For the purpose of borrowing the certificate of valuation of the county auditor shall be final and conclusive. Any moneys so borrowed with interest thereon shall be

repaid from the proceeds of the next succeeding tax levy or earlier if funds become available for that purpose.

(b) The district may borrow money and incur indebtedness to construct, repair, operate, or maintain improvements required as a result of declared emergencies or disasters. Each borrowing shall be authorized by resolution of the board of directors. The total amount borrowed shall not exceed the sum that could be raised by a ten cent (\$.10) tax levy upon the taxable real property of the district. If borrowed funds are provided through a designated emergency or disaster program, the district may repay that loan in accordance with the provisions of the program. The district may also borrow from the State of California or the United States moneys provided by those units of government for the performance of local work or responsibilities in conjunction with state or federal programs relating to flood control, drainage, water conservation, or water quality. If no repayment term is specified in the special loan programs relating to declared emergencies, disasters, or state or federal programs, the loans shall be repaid within a period not to exceed 40 years.

SEC. 15. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district are the result of a program for which legislative authority was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution.

